Government of Saskatchewan

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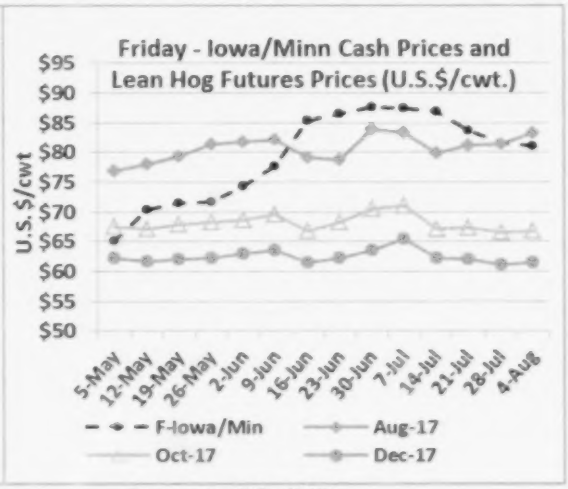
Weekly Hog Report

August 8, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) were strong in July. Summer prices put in their highs in early July and have edged lower the last few weeks. Hog prices on Friday August 4 averaged US$81.06 per cwt, down US$0.56 per cwt or 0.7 per cent from US$81.62 per cwt the previous Friday. The negotiated weekly base price last week averaged US$80.64 per cwt, down US$1.98 per cwt or 2.4 per cent from US$82.62 per cwt the previous week.

Source: HAMS Marketing



Source: LMIC, CME

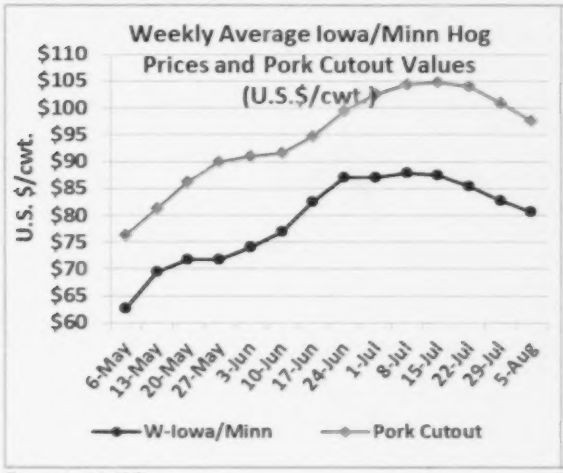
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday August 4, 2017 was $191.05 per ckg, down $3.44 per ckg or 1.8 per cent from $194.49 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $190.00 per ckg, down $5.58 per ckg or 2.9 per cent from the previous weeks' average price of $195.58 per ckg. The Canadian dollar moved higher in July with the Bank of Canada raising interest rates. The Canadian dollar versus the U.S. dollar settled last Friday at 79.13 cents, down 1.21 cents from 80.34 cents the previous Friday.

Futures Markets

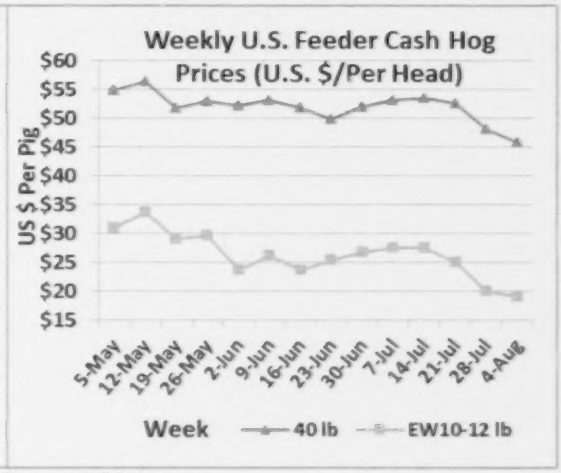
United States lean hog futures daily prices were mixed last week but edged overall higher, week-over-week. The nearby August lean hog futures contract increased US$1.825 per cwt last week to settle Friday at US$83.225 per cwt; while the October lean hog futures contract increased US$0.275 per cwt to settle last Friday at US$66.775 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$19.04 per head, down US$1.01 per head or 5.0 per cent from US$20.05 per head the previous week. Feeders (40lb) averaged US$45.71 per head, down US$2.42 per head or 5.0 per cent from US$48.13 per head, the previous week.



Source: LMIC



Source: USDA

Iowa cash corn prices settled last Friday at US$3.17 per bushel, down 5 cents from US$3.22 per bushel the previous Friday. Daily corn futures were mixed but overall lower last week to push prices lower, weak-over-week. The September contract declined almost eight cents per bushel to settle last Friday at US$3.66 ½ per bushel, while the December contract declined seven cents to settle last Friday at 3.81 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending August 5 were estimated at 2.250 million head, up 0.5 per cent from 2.239 million head the previous week, and up 2.3 per cent from 2.199 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.222 million head, up 2.7 per cent from 2.164 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending July 29, 2017 were estimated at 413,832 head, up 1.8 per cent from 406,398 head the previous week, and up 3.4 per cent from 400,322 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 407,419 head, up 0.9 per cent from 403,614 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 12,395,324 head, up 2.1 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending July 29, 2017 averaged 167,052 head, down 2.8 per cent from 171,837 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 5,125,736 head in 2017, up 2.2 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending August 5, 2017 was estimated at 466.2 million lb., up 0.5 per cent from 464.0 million lb. the previous week, and up 2.1 per cent from 456.5 million lb. the same week a year ago. Pork production over the last four week's ending August 5 was estimated to average 460.2 million lb., up 2.2 per cent from 450.0 million lb. over the same four week period a year ago.

U.S. beef production for the week ending August 5 was estimated at 511.9 million lb., up 1.4 per cent from 505.0 million lb. the previous week, and up 7.2 per cent from 477.7 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending July 29, 2017, was estimated to average 2.018 billion lb., up 2.0 per cent from 1.979 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.1 per cent compared to the same period in 2016.

United States Weekly Meat Production

(July 29) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	431.7	441.1	2.2%	2.8%
Beef	469.2	487.2	3.8%	4.3%
Chicken	954.1	968.9	1.6%	1.0%
Turkey	123.8	121.0	-2.2%	0.3%
Total	**1,978.7**	**2,018.2**	**2.00%**	**2.11%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending August 5, 2017 averaged US$97.57 per cwt, down US$3.21 per cwt or 3.2 per cent from US$100.78 per cwt the previous week, but up 25.1 per cent from US$77.97 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending August 5, 2017 averaged US$205.00 per cwt over the week, down US$1.96 per cwt or 0.9 per cent from US$206.96 per cwt the previous week, but up 3.2 per cent from US$198.71 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending August 5, 2017 averaged US$148.18 per cwt, down US$1.32 per cwt from US$149.50 per cwt the previous week, and up 11.5 per cent from US$132.85 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on July 24, 2017. The United States' pork stocks in cold storage totaled 563.0 million lb. on June 30, 2017, down 4.0 per cent from 586.5 million lb. on June 30, 2016, and down 5.0 per cent from 592.4 million lb. on May 31, 2017. U.S. pork stocks in cold storage for June 30, 2017 were below the monthly 12-year highs; but above the 12-year average. Hams were noticeably higher from the previous month (May 2017), while ribs and butts edged lower.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**30-Jun-2016**	**31-May-2017**	**30-Jun-2017**
Pork	586,479	592,404	562,973
Beef	464,533	411,509	416,681
Chicken	815,001	785,504	808,754
Turkey	504,385	529,936	565,336
Total Combined	**2,370,398**	**2,319,353**	**2,353,744**

Source: NASS

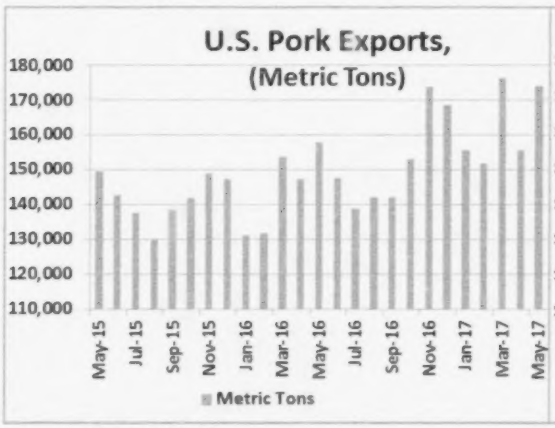
The U.S. beef stocks in cold storage totaled 416.7 million lb. on June 30, 2017, down 10.3 per cent from 464.5 million lb. on June 30, 2016, but up 1.3 per cent from 411.5 million lb. on May 31, 2017. Beef stocks in cold storage for June 30, 2017 were below the monthly 12-year highs and 12-year average.

Total pork, beef, chicken and turkey in cold storage on June 30, 2017 was at 2.354 billion lb., down 0.7 per cent from June 2016, but up 1.5 per cent from May 31, 2017. U.S. meat in cold storage for June 30, 2017 was above the 12-year average; but below the previous record highs established in July 2016.

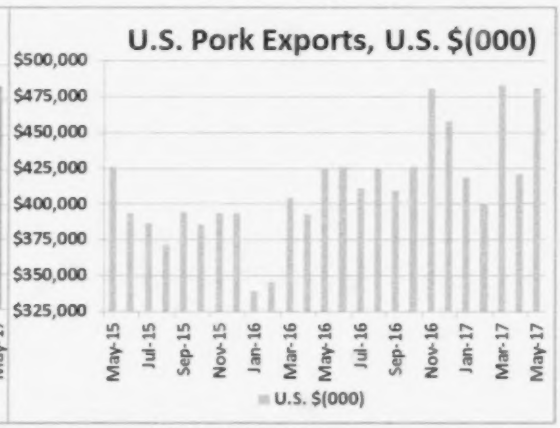
United States Pork Exports

United States pork exports for May 2017 were released in July. U.S. pork exports in May were strong. United States exported 174,249 metric tons of pork in May 2017, up 11.8 per cent from 155,788 metric tons in April 2017, and up 10.3 per cent from 157,937 metric tons in May 2016. U.S. pork exports by volume for May 2017 versus May 2016 were higher to South Korea (+51.5%), Mexico (+21.7%) and Japan (+12.7%); but lower to China/Hong Kong (-36.4%).

By dollar amount, U.S. pork exports in May 2017 were US$480.5 million dollars, up 14.1 per cent from US$421.2 million in April 2017, and up 13.3 per cent from US$424.2 million dollars in May 2016. Year-to-date, U.S pork exports were $2,204,104, up 15.6 per cent compared to the same period a year ago.



Source: USDA, USMEF



Source: USDA, USMEF

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